



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill #	HB0583	Title:	Fund food and agriculture innovation centers
Primary Sponsor:	Fleming, John	Status:	As Amended in Senate Committee

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
Expenditures:				
General Fund	\$250,000	\$250,000	\$0	\$0
State Special Revenue	\$250,000	\$250,000	\$0	\$0
Revenue:				
General Fund (Transfer)	\$250,000	\$250,000	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0*</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact:

This bill provides for a transfer from the research and commercialization state special revenue account established in 90-3-1002, MCA, to the general fund and an appropriation from the general fund for a network of four established Montana Food and Agricultural Development Centers. The centers will be administered by the Department of Agriculture (AGR). Coordination language states that if this bill is passed and approved and HB 123 fails the fund transfer in FY 2011 is void, however the general fund appropriation will continue for FY 2011.

*This fiscal note assumes passage and approval of HB123 which provides for a transfer of \$250,000 state special revenue from the research and commercialization state special revenue account to the general fund and the subsequent general fund appropriation to the department of Agriculture to administer four established Montana Food and Agriculture Development Centers. If HB 123 is not passed and approved, there will be a \$250,000 general fund impact in FY 2011.

FISCAL ANALYSIS

Assumptions:

Department of Commerce (DOC):

1. For the purposes of this fiscal it is assumed that \$250,000 would be transferred from the Research and Commercialization state special revenue account on the effective date of the bill (July 1, 2009).
2. The following table shows the allocations of the Research and Commercialization state special revenue account under FY 2010 current law and the impacts of HB 583 as amended:

Allocation	%	FY 2010 Current Law	HB 583 As Amended	Difference
Production Agriculture	20%	\$ 730,000	\$ 480,000	\$ (250,000)
Clean Coal & Renewable Resource R & D	30%	\$ 1,095,000	\$ 1,095,000	\$ -
Other Research & Commercialization	50%	\$ 1,825,000	\$ 1,815,000	\$ -
Food & AG Innovation Centers	0%	\$ -	\$ 250,000	\$ 250,000
Totals:	100%	\$ 3,650,000	\$ 3,650,000	\$ -

It should be noted that the above table does not reflect the administrative costs for the Research and Commercialization program; which are estimated to be \$180,945 in FY 2010 and are also funded out of the \$3.65 million FY 2010 allocation.

3. Because \$250,000 will be transferred from the state special revenue account to the general fund to be used for funding food and agricultural innovation centers, it is estimated that three or four production agriculture research and commercialization projects will not be funded in FY 2010.

Department of Agriculture

4. The Department of Agriculture (AGR), Agricultural Development Division (ADD) will administer the network of four established Montana Food and Agricultural Development Centers.
5. The department will distribute \$240,000 in FY 2010 to the centers to promote Montana food and agricultural development.
6. The bill sets aside \$10,000 in FY 2010 for administration of the centers by the ADD. Administration costs include travel, communication, and training expenses by existing staff within the ADD.
7. If HB 123 to extend coal trust funded economic development programs until 2019 passes \$240,000 will be distributed to the centers and \$10,000 will be set aside for administration of the centers in FY 2011.
8. This bill does not provide funding into FY 2012 and FY 2013.

Department of Commerce

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Transfers	\$250,000	\$250,000	\$0	\$0
TOTAL Expenditures	<u>\$250,000</u>	<u>\$250,000</u>	<u>\$0</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>				
State Special Revenue (02)	\$250,000	\$250,000	\$0	\$0
TOTAL Funding of Exp.	<u>\$250,000</u>	<u>\$250,000</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>				
General Fund (01) (Transfer)	\$250,000	\$250,000	\$0	\$0
TOTAL Revenues	<u>\$250,000</u>	<u>\$250,000</u>	<u>\$0</u>	<u>\$0</u>

Department of Agriculture

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses	\$250,000	\$250,000	\$0	\$0
TOTAL Expenditures	<u>\$250,000</u>	<u>\$250,000</u>	<u>\$0</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$250,000	\$250,000	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Funding of Exp.	<u>\$250,000</u>	<u>\$250,000</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$250,000)	(\$250,000)	\$0	\$0

Sponsor's Initials_____
Date_____
Budget Director's Initials_____
Date